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**RECEIVED**

**APR 01 2004**

GAMBLING COMMISSION  
COMM & LEGAL DEPT

March 31, 2004

Susan Arland  
Rules Coordinator and Public Information Officer  
Washington State Gambling Commission  
PO Box 42400  
Olympia, WA 98504-2400

**Re: ZDI Gaming, Inc.**

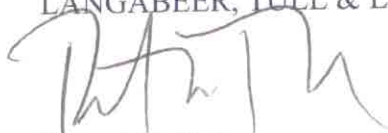
Dear Susan:

Enclosed please find a Petition for amendment to WAC 230-30-070(3) which I am transmitting on behalf of ZDI Gaming, Inc.

The proposal would allow for certain types of pulltabs to be modernized. Existing display technology would be used. The primary difference is that the manufacturing of the pulltab (which of course meets all pulltab manufacturing standards) will be completed at the time sale. This will drastically reduce the amount of paper waste and storage associated with unused portions of pulltab games and will provide complete electronic audit capability for the Commission, ZDI Gaming, Inc. and its customers.

We do not believe any other rule requires amendment or supplementation. If staff review produces a different view please advise us immediately and we will add to our Petition.

Very truly yours,  
LANGABEER, TULL & LEE, P.S.



Robert M. Tull

RMT: ao  
cc: client  
enclosures

**LANGABEER,  
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April 29, 2004

Susan Arland  
Rules Coordinator and Public Information Officer  
Washington State Gambling Commission  
PO Box 42400  
Olympia, WA 98504-2400

**Re: ZDI Gaming, Inc.**

Dear Susan:

Enclosed please find a corrected Petition for amendment to WAC 230-30-072(3). Our previous Petition cited a rule change to WAC 230-30-070(3) which was incorrect. Thank you for catching our error. No other changes have been made to any document.

Very truly yours,  
LANGABEER, TULL & LEE, P.S.

  
Robert M. Tull

RMT: ao  
cc: client  
enclosures



# **PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE (RCW 34.05.330)**

The Office of Financial Management (OFM) has adopted this form for members of the public who wish to petition a state agency to adopt, amend, or repeal an administrative rule (regulation). Full consideration will be given to a petitioner's request.

To obtain this form in an alternate format, call OFM at (360) 902-0555 or TTY (360) 664-9437.

Please complete the following:

PETITIONER'S NAME (PLEASE PRINT)		TELEPHONE NUMBER (INCLUDE AREA CODE)		
<b>ZDI Gaming, Incorporated</b>		<b>(425) 775-7991</b>		
STREET ADDRESS	PO BOX NUMBER	CITY	STATE	ZIP CODE
<b>2124 - 196th Street SW</b>		<b>Lynnwood,</b>	<b>WA</b>	<b>98036</b>
AGENCY RESPONSIBLE FOR ADMINISTERING THE RULE, IF KNOWN		If unknown, call (360) 753-7470 for mailing information		
<b>Washington State Gambling Commission</b>				

Please submit completed and signed form to the "Rules Coordinator" at the appropriate state agency. The agency will contact you within 60 days.

Check all that apply below and explain on the back of this form with examples. Whenever possible, attach suggested language. You may attach other pages, if needed.

☐ 1. **NEW:** I am requesting that a new WAC be developed

I believe a new rule should be developed.

- ☐ The subject of this rule is:
- ☐ The rule will affect the following people:
- ☐ The need for the rule is

☒ 2. **AMEND:** I am requesting a change to existing WAC 230-30-072(3)

See attached proposed amendment  
be removed.

☐ 3. **REPEAL:** I am requesting existing WAC

I believe this rule should be changed or repealed because (check one or more):

- ☐ It does not do what it was intended to do.
- ☐ It imposes unreasonable costs.
- ☐ It is applied differently to public and private parties.
- ☐ It is not clear.
- ☐ It is no longer needed.
- ☐ It is not authorized. The agency has no authority to make this rule.
- ☐ It conflicts with another federal, state, or local law or rule. Please list number of the conflicting law or rule, if known
- ☐ It duplicates another federal, state, or local law or rule. Please list number of the duplicate law or rule, if known
- ☒ Other (please explain): **The advance of technology provides better audit and security options and can avoid paper waste and storage expense. See attached "overview" for further details.**

PETITIONER'S SIGNATURE ZDI Gaming Inc., by Robert M. Tull, Attorney

DATE

**3/31/04**



**Proposed Amendment to WAC 230-30-072(3)**

Existing WAC 230-30-072(3) reads as follows:

(3) Each punch board or pull-tab series which is removed from play, together with the prize flare, all unplayed tabs, and all winning punches or tabs, shall be retained by the operator and made available for inspection, on the licensed premises, by commission agents and/or local law enforcement and taxing agencies. If devices are stored off premises, they must be produced for inspection upon demand. The minimum retention time for devices removed from play shall be: ...

The proposed amendment to WAC 230-30-072(3) is as follows (proposed changes shown in underline):

(3) Each punch board or pull-tab series which is removed from play, together with the prize flare, all unplayed tabs, and all winning punches or tabs, shall be retained by the operator and made available for inspection, on the licensed premises, by commission agents and/or local law enforcement and taxing agencies, provided that any series utilizing point of sale printing with approved electronic audit and security provisions shall be maintained in accordance with requirements of the Commission established at the time of approval under 230-12-316 or as subsequently determined. If devices are stored off premises, they must be produced for inspection upon demand. The minimum retention time for devices removed from play shall be: ...

(Remainder of section omitted – no change requested to remainder of section)

### Overview

The Point of Sale Completion/Enhanced Audit Pulltab System, hereafter referred to as the Enhanced Audit System, is a computer based electromechanical device that has the ability to sequentially print pulltab tickets at the point and time of sale, and display both a graphical and audio representation of each ticket from information retrieved from a predefined set of tickets stored in a proprietary database.

Benefits of the Enhanced Audit System include assuring the Gambling Commission that record keeping is instantaneous and quickly verified by regulators. The storage of unused paper tabs is avoided. It will allow ease of accountability for Commission Agents because all transactions would be made simpler with both on-screen reports and report printouts. All transactions of monies in and tickets out along with winning amounts would be time and date stamped and recorded in databases for direct audit access. Reports on the number of played and non-played tickets would be readily available. Agents will be able to see an on-screen report or print out a report. There will be no hand counting or weighing of pulltabs as is currently done and it will no longer be necessary to verify the number of un-played tickets remaining since audit reports would be available along with reports. Security from altering or forgery of pulltab tickets will be enhanced since tickets will be produced on demand and have authentication information in accordance with Gambling Commission requirements and would provide further electronic records of the winning tickets. The Enhanced Audit System keeps up with today's technology while complying with all provisions of Gambling Commission rules. The only rule change necessary is to allow for electronic records to be used in appropriate circumstances instead of paper retention.

Operators will benefit from cost savings. Frequently only thirty percent of a game is used and the rest is discarded. Less labor will be needed. Elimination of game storage will either save licensees the expense of storage or allow other productive uses of on-site storage space. Accounting of games would be easier; all transactions would be recorded to databases making game tracking fast and simple. Reports will be readily available, both on-screen and when desired or required in printed reports of all game statuses.

The public will benefit from greater fraud prevention. If the format is popular, local municipalities will receive more gambling tax with more accountability and accuracy.

### The Software

The Enhanced Audit System uses a standard Microsoft operating system. The Encrypted database, however, uses ZDI technology for data security. The operating system has been modified to suit our requirements that the operator or player not have access to the computer except the function of shutdown or restart. The Application software is written and compiled by ZDI to conform to state requirements. The software allows operator loading of new games, computer shutdown, computer restart, and touch-screen calibration. The software allows ZDI maintenance personnel much greater access to computer functions. These are accessed under password control.

### Game Detail

The ticket information is stored in a database table called "TICKETS" on a compact disc. Each record in the table determines all of the properties of a play, including the win amount. The table records are shuffled when the database is created. It is shuffled again when the Game CD is loaded into the machine to insure security. As the game is played, ticket records are selected sequentially from the database.

### Ticket Usage

To play the pulltabs, currency is first introduced into the Bill Validator. The computer is in constant communication with the Bill Validator. After the currency has been validated, the currency amount inserted by the player appears in the Credits window, on the left side of the Control Panel. The Price per ticket is displayed, and the number of Plays, based on the ticket price, is displayed in the PLAYS window. When the SPIN button is pressed, the ticket purchase amount is subtracted from the credits amount and the first database record is accessed. Ticket printing starts as soon as the ticket record is read. All aspects of the spin are contained in this record. After the record is processed, it is removed from the database's TICKETS table and stored in the database's PLAYOUT table. The date and time of play are added to the record at this time. The ticket is cut and falls into the tray at the bottom of the machine for retrieval by the Customer. Graphic and audio data is also read from the database to control the spinning reel display as well as the sounds produced. The reels stop spinning soon after the ticket is printed verifying the ticket result. The Win Amount is added to the total in the WIN window.



When a new game is loaded, the old database is archived to preserve the database for future study. The database is stored in a read-only, encrypted, password-protected directory. Software for reading the stored databases will be provided to the WSGC.

### The Hardware

The new system is nearly identical to ZDI's VIP display device now in wide use throughout the State. The main visible change is to remove the ticket hole from the side of the machine. The Enhanced Audit System contains a computer for performing all of the tasks of database handling, graphic display and audio reproduction. The computer is connected to an internal Uninterruptible Power Supply that insures that power interruptions cannot result in loss of data. This allows two minutes of operation under battery power. After that, the computer begins an orderly shutdown.

Just as is used today, the Display monitor is equipped with a touch-screen interface to enable greater flexibility in player control of the game. The monitor allows display resolution of 1024 by 768 pixels at a Color depth of  $2^{32}$  Colors and a refresh rate of 75 screen refreshes per second.

Game software is loaded from an internal CDROM drive mounted on top of the computer case.

Currency is validated with a JCM bill validator connected to one of the computer's serial ports.

The system printer will print and cut individual pulltab tickets on paper in conformance with all standards of the Gambling Commission. Game information printed on the ticket cannot be read without opening the ticket, while the Game name, Game Number and Ticket number remain visible.

Sound is generated by sound hardware in the computer. There is an external amplifier that powers two speakers mounted near the top of the cabinet on each side.

### Reports Available (Based upon suggestions from Gambling Commission technical staff),

1. Monthly In-play/out of play report. (WAC 230-08-010)

## 2. Game in play

Date/Time it went in play

Game set name

Game set number

## 3. Report to query by date all \$20.00 + winners

Date/Time

Game set number

Game name

Amount Won

Tickets Remaining at the time of win

Terminal #

Establishment Name

(Note: regulators can now verify Flare accuracy instantly.)

## 4. Pulled report

Date/Time

Game set number

Game set name

Amount sold

Amount won

Tickets remaining

## 5. Prize Flare report

Game set number

Game set name

Amount of tickets

Amount of prizes per level

Cost per ticket

number of tickets bundled

number of bundles

## 6. Maintenance Report

Door access

Date/Time

Reason

## 7. All report

Date/time games were put into play

Date/time games were pulled or completed

Names and numbers





As used throughout Washington today



As reconfigured after the rule change